

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 232.142(4), the Department of Human Services amends Chapter 167, “Juvenile Detention Home Reimbursement,” Iowa Administrative Code.

These amendments more clearly define standards for costs eligible for reimbursement and specify forms and procedures for claiming reimbursement, as follows:

- “Eligible costs” are defined as costs that are directly attributable to the function of detaining youth in the home. Costs for alternatives to detention in the home, such as community tracking, monitoring, and outreach, are not eligible for reimbursement.

- Detention facilities shall submit detailed income and expense information and a certified financial audit as evidence that expenses were allocated properly. Capital expenses shall be depreciated over the useful life of the item, and only the annual depreciation amount for an eligible cost may be claimed for reimbursement.

- The deadline for submission of cost data is May 15 of the year following the end of the state fiscal year for which reimbursement will be made, with an August 10 deadline for submitting the actual claim. The Department will review the fiscal information to determine the eligible costs and will determine the percentage of eligible costs to be reimbursed.

These amendments do not provide for waivers in specified situations. Requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

Notice of Intended Action on these amendments was published in the Iowa Administrative Bulletin on February 10, 2010, as **ARC 8527B** and a public hearing was held on March 5, 2010. Two persons attended the hearing, and six persons or agencies submitted comments. In response to these comments, the Department has made the following changes to the amendments as published under Notice of Intended Action:

- The definition of “eligible costs” in Item 1 is revised to read as follows: “‘Eligible costs’ are those allowable costs that are directly attributable to the function of detaining youth in the home, from the point of intake through discharge from the home, as further defined in subrule 167.3(3).” This change makes the definition more specific and clarifies that transportation to the facility before intake and from the facility after discharge are not eligible costs.

- Paragraph 167.3(2)“b” is revised to specify that the income and expense reports shall be submitted on the certification page and Schedules A, C, and D of Form 470-0664, Financial and Statistical Report for Purchase of Service Contracts. This report is also used for Medicaid home- and community-based waiver services and is available in an Excel version on the Department’s Iowa Medicaid Enterprise Web site.

- Language is added to the introductory paragraph of subrule 167.3(3) to specify that the home’s cost allocation methodology shall follow generally accepted accounting principles (GAAP).

- The following sentence is added to paragraph 167.3(3)“a,” introductory paragraph: “County payments to an eligible home for the function of detaining youth in the home (“care and keep”) are not considered to be supplemental funding, reimbursement, or refund sources for the purpose of this subrule.” Such payments are considered eligible for reimbursement.

- Subparagraph 167.3(3)“d”(1) is revised to raise the threshold for depreciation of capital expenses from \$1,000 to \$5,000.

- Rule 441—167.5(232) is reformatted by dividing the content into subrules to improve readability. The Council on Human Services adopted these amendments on April 14, 2010.

These amendments are intended to implement Iowa Code section 232.142.

These amendments shall become effective on July 1, 2010.

The following amendments are adopted.

ITEM 1. Adopt the following **new** definition of “Eligible costs” in rule **441—167.1(232)**:
“*Eligible costs*” are those allowable costs that are directly attributable to the function of detaining youth in the home, from the point of intake through discharge from the home, as further defined in subrule 167.3(3).

ITEM 2. Amend subrules 167.3(2) and 167.3(3) as follows:

167.3(2) The home submits ~~Form 07-350, Purchase Order/Payment Voucher, within the time frames of 441—167.5(232).~~ the following by May 15 of the year following the conclusion of the state fiscal year for which reimbursement will be made:

a. A written statement delivered in printed form or via electronic mail identifying the eligible total net cost that will be claimed under rule 441—167.5(232).

b. A printed or electronic copy of the following sections of Form 470-0664, Financial and Statistical Report for Purchase of Service Contracts:

(1) Certification page.

(2) Schedule A, Revenue Report.

(3) Schedule C, Property and Equipment Depreciation and Related Party Property Costs.

(4) Schedule D, Expense Report.

c. A printed or electronic copy of the home’s certified audit containing financial information for the period for which reimbursement is being claimed.

167.3(3) ~~Rescinded IAB 9/30/92, effective 10/1/92.~~ The department has reviewed the information submitted and determined that the costs to be claimed meet eligibility requirements. Eligible costs shall be determined by using a cost allocation methodology that follows generally accepted accounting principles (GAAP). Eligible costs shall be based on the portions of the allowable costs that are directly attributable to the function of detaining youth in the home.

a. Costs are not eligible for reimbursement if a supplemental funding, reimbursement, or refund source is available to the home. County payments to an eligible home for the function of detaining youth in the home (“care and keep”) are not considered to be supplemental funding, reimbursement, or refund sources for the purpose of this subrule. Ineligible costs include, but are not limited to:

(1) Refundable deposits.

(2) Services funded by sources other than the juvenile detention reimbursement program.

(3) Operational activities such as the food and nutrition program that is funded by the Iowa department of education.

b. Costs attributed to portions of the home not directly used for detaining children are not eligible for reimbursement.

c. Costs of alternatives to detaining youth in the approved detention home are not eligible for reimbursement. Services ineligible for reimbursement include, but are not limited to:

(1) Community tracking and monitoring activities.

(2) Transportation not related to detention.

(3) Outreach services.

(4) In-home detention.

d. Capital expenses shall be depreciated over the useful life of the item following generally accepted accounting principles. The annual depreciated amount for items that are eligible costs may be claimed for reimbursement.

(1) Capital expenses shall include items costing more than \$5,000 that have a useful life of over two years.

(2) Depreciation schedules shall be filed annually as needed.

ITEM 3. Amend rule 441—167.5(232) as follows:

441—167.5(232) Submission of voucher. Eligible facilities shall submit ~~Form 07-350, Purchase Order/Payment Voucher, for the legislatively authorized percentage of their allowable costs for the year ending June 30~~ a complete signed and dated Form GAX, General Accounting Expenditure, to the department to claim reimbursement.

167.5(1) Form GAX shall be submitted to the Department of Human Services, Division of Fiscal Management, First Floor, Hoover State Office Building, 1305 East Walnut Street, Des Moines, Iowa 50319-0114, by August 10.

167.5(2) The form shall include the total net eligible costs incurred between July 1 and June 30 of the year covered by the reimbursement. The total net eligible costs will be used to calculate the legislatively authorized percentage of the home's allowable costs for the year covered by the reimbursement.

167.5(3) Only facilities ~~which~~ that submit ~~Form 07-350, Purchase Order/Payment Voucher,~~ Form GAX by August 10 shall receive reimbursement.

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 5/5/10.